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SUBJECT: MARITIME DISPUTE BETWEEN HONDURAS AND NICARAGUA
HEATS UP AGAIN; ICJ DECISION EXPECTED IN 2006

REF: A. TEGUCIGALPA 2223

[B](#). MANAGUA 2639

[C](#). TEGUCIGALPA 893

[1](#)1. (U) Summary - The long standing maritime territorial dispute between Honduras and Nicaragua has gained prominence recently, with a decision in the International Court of Justice (ICJ) in The Hague not expected until 2006. This territory has been sharply disputed since the 1980s with intentions for exploration for petroleum bringing this issue to prominence in both countries' foreign policy goals. While there has been relative calm on this issue for the past few years, the Nicaraguan Energy Institute recently released a report claiming that it had the authority to explore for oil in the disputed territory, according to press reports. Both countries have already submitted their arguments to the ICJ for a ruling, but such a report may be meant to impress or affect the ICJ decision. The issue is further complicated by recent border disputes between Nicaragua and Costa Rica over the San Juan River, where Nicaragua has responded negatively to attempts to invoke the ICJ as a means to settle the dispute. While the Honduran-Nicaraguan dispute has received quite a lot of attention from the press, all parties must await a decision from the ICJ before further action. End Summary.

[1](#)2. (U) The recent escalation in the Honduran-Nicaraguan maritime border dispute is largely a rhetorical one. It springs from a report released by the Nicaraguan Energy Institute (INE) claiming to have the authority to explore for oil in the disputed territory. This is the second of such reports since 2002 and follows closely after the Government of Nicaragua (GON) signed a contract with Oklahoma Nicaragua SA to explore for oil in 2004. Acting Honduran Foreign Minister Juan Antonio Lara Bueso reported to the press that he believed that the map presented by INE was the same one that was presented in 2002. The Government of Honduras (GOH) protested the report in 2002, and if it is confirmed that it is the same map, promised to protest it again this year. The Acting FM speculated that INE may be trying to sway or impress the International Court of Justice (ICJ) preceding the beginning of oral arguments. However, as the written arguments have already been submitted before the ICJ, the effect on the pending decision should be negligible. PolChief discussed the issue October 7 with the Acting FM who said that the Honduran-Nicaraguan ICJ case would enter the oral phase in 2006, and that the GOH expected an ICJ ruling prior to the end of 2006. The GOH wants to resolve the dispute quickly, said the Acting FM.

[1](#)3. (SBU) Nicaragua's recent border dispute with Costa Rica over the San Juan River has caused some degree of concern as to the stance that the GON may take towards border disputes (ref B). When the Government of Costa Rica (GOCR) threatened international legal action against the GON, members of the GON threatened the use of a new "patriotic tax." (A similar 35 percent tax was placed upon Honduras in 1999 and revoked in 2003 as part of the maritime dispute.) When meeting with MFA Director General for Foreign Policy Allan Oviedo October 13 PolOffs asked about the potential for a possible undiplomatic response from the GON resulting from an unfavorable ICJ ruling. DG Oviedo responded that he believed it likely that the GON would respect the ICJ decision for the maritime border, as have previous nations with claims in Caribbean waters.

[1](#)4. (SBU) Both countries have historical claims to the territories that date back numerous decades, however the modern history of the dispute began in the early 1980's when both the GOH and the GON actively began to claim the territory. The area in dispute is a triangular section of oceanic territory formed by the 15th parallel and a diagonal extension of the two countries' borders. Diplomatic tensions came to a head in November 1999 when Honduras signed an agreement with Colombia, the "Ramirez-Lopez" agreement, which Nicaraguan authorities claimed led to the usurping of 130,000 square km of Nicaraguan maritime territory. In response, Nicaragua imposed a 35 percent tariff on Honduran-made products and sued Honduras in the ICJ. Nicaragua finally revoked its retaliatory tariff on Honduran products in March of 2003, but the GON maintains that they have a legitimate

claim under international law. Although the two countries have border disagreements, the armed forces of both countries have cooperated recently in counternarcotics exercises in the disputed territory. Post notes it is important that U.S. counternarcotics teams include both countries' forces in disputed territory so as not to show bias to one side or the other.

15. (SBU) Comment. Overall, little has changed in the maritime dispute. As the oral stage in the case with the ICJ draws near, both sides are attempting to strengthen the appearance of their case. The press has grabbed a hold of both countries' rhetorical claims and brought this issue back into prominence. Both countries see the potential of finding oil a top priority. One Honduran paper even referred to the possibility of finding oil as their "salvation" from the gas price crisis. These widely held sentiments have also contributed to the elevation of this foreign policy issue. However, all parties must wait for a decision from the ICJ before taking any action or shifting policy dramatically.
End Comment.
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